- A0875-1 C1 6186 -

AMERICAN AUTOMOTIVE LEASING ASSOCIATION

ANALYSIS OF COSTS AND RELATED INFORMATION

NON-FINANCE LEASING (CLOSED-END)

YEARS 1985 AND 1984

TABLE OF CONTENTS

	PAGE
Comparative Analysis of Average Per Unit Per Month Costs	1
Analysis of Per Unit Per Month Costs	2
Repairs and Maintenance	3
Insurance - Collision and Comprehensive and Umbrella Liability	4
License Tags, State and Local Taxes	5
Interest Expense	6
General and Administrative Expenses	7
Composition of Fleets	8
Type of Customer	9
Used Car Disposition	10
Leasing and Rental Activities	11
Record Keeping Methods	12
State Tax Examinations	13

COMPARATIVE ANALYSIS OF AVERAGE PER UNIT PER MONTH COSTS

YEARS 1985 AND 1984

			Increase (Decrease)		
	1985	1984	Amount	Percentage	Percentage of Total
OPERATING COSTS:					
Depreciation	$212.06	$206.05	$ 6.01	2.91%	59.5%
Repairs and maintenance	30.03	33.40	(3.37)	(.10)	8.4
Insurance	13.71	16.57	(2.86)	(17.26)	3.9
License tags and taxes	10.26	8.90	1.36	(15.28)	2.9
Interest	55.16	65.57	(10.41)	(15.90)	15.4
Delivery	1.70	1.09	.61	55.96	.5
TOTAL OPERATING COSTS	322.92	331.58	(8.66)	(2.6)	90.6
General and administrative	33.44	34.94	(1.50)	(4.29)	9.4
TOTAL COSTS	$356.36	$366.52	($10.16)	(2.77%)	100.0%
AVERAGE MONTHS IN OPERATION	29.5	29.9			

ANALYSIS OF PER UNIT PER MONTH COSTS FOR THE YEAR 1985

	Depreciation %	Depreciation Amount	Repairs and Maintenance (Page 3)	Insurance (Page 4)	Tags and Taxes (Page 5)	Interest (Page 6)	Delivery	Total Operating Costs	General and Administrative (Page 7)	Total Costs	Average Months in Operation
Less than 1,000 cars											
A	2.00%	$ N/A	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
B	1.60	212.53	16.77	-	21.20	(97.53)	-	348.03	(71.15)	419.18	29
C	-	-	-	-	-	-	-	-	-	-	-
D	-	186.67	-	(3.40)	-	(132.00)	-	322.07	34.90	356.97	36
E	2.50	201.08	(5.75)	(1.92)	2.34	59.02	(.03)	270.14	40.23	310.37	31
F	2.25	219.02	25.22	(1.25)	5.42	(122.60)	(.91)	374.42	15.93	390.35	24
G	1.80	-	30.00	-	-	-	-	(30.00)	50.00	(80.00)	27
Average costs	-	204.83	24.00	-	9.65	59.02	-	328.67	35.27	369.45	-
1,000 - 1,999 cars											
H	1.91	202.00	39.00	10.00	17.00	65.00	2.00	335.00	38.00	373.00	27
I	2.25	-	35.00	-	-	-	-	(35.00)	-	(35.00)	-
J	1.50	214.67	13.35	-	-	(97.47)	1.29	326.78	46.01	372.79	33
Average costs	-	208.34	29.12	10.00	17.00	65.00	1.65	330.89	42.01	372.90	-
Over 2,000 cars											
K	2.50	282.50	-	-	4.25	46.40	(.83)	333.98	30.34	364.32	30
L	1.98	204.02	30.49	14.26	19.19	57.79	(.57)	326.32	42.05	368.37	31
M	2.25	180.98	34.35	17.77	-	52.60	-	285.70	19.81	305.51	29.2
N	2.00	217.13	46.10	12.82	2.43	50.16	1.80	330.44	17.09	347.53	27
Average costs	-	221.16	36.98	14.95	8.62	51.74	1.80	319.11	27.32	346.43	-
Combined average costs	-	212.06	30.03	13.71	10.26	55.16	1.70	322.92	33.44	356.36	29.5

REPAIRS AND MAINTENANCE

	Mech. Repairs and Maint.	Lube (Oil and Grease)	Tires	Glass	Adm. Salaries	Free Loaner	Total	Maint. Cap or Budget	Limit Tires #		Non-Auth. Repair Limit	Miles Limit	Miles Annual	Average Annual Mileage	Composition of Fleets: Full Maintenance %	Composition of Fleets: Non-Maintenance %
Less than 1,000 cars																
A	$ -	$ -	$ -	$ -	$ -	$ -	$ -	No	-	-	$ -	Yes	18,000	-	-	100
B	(1.03)	-	-	-	-	(15.74)	16.77	No	-	-	-	Yes	15/18,000	14,000	-	100
C	-	-	-	-	-	-	-	-	-	-	-	Yes	15,000	-	-	100
D	-	-	-	-	-	-	-	No	Yes	-	-	Yes	15,000	15,000	-	100
E	(.46)	-	-	-	2.57	2.72	(5.75)	Yes	-	-	-	Yes	20,000	40,000	-	100
F	16.61	(1.01)	(1.53)	-	(6.07)	-	25.22	No	Yes	4	50	Yes	25,000	50,000	6	94
G	25.00	5.00	-	-	-	-	30.00	No	Yes	2	25	Yes	Varies	20,000	80	20
1,000 - 1,999 cars																
H	30.00*	-	9.00	-	-	-	39.00	Yes	No	-	25	Yes	Varies	25,000	29	71
I	30.00	-	5.00	-	-	-	35.00	No	Yes	2	100	Yes	22,500	-	40	60
J	9.77	(.39)	(1.04)	-	-	2.15	13.35	No	Yes	2	50	Yes	17 000	13,000	23	77
Over 2,000 cars																
K	-	-	-	-	-	-	-	No	-	-	-	Yes	20,000	41,000	-	100
L	30.49*	-	-	-	-	-	30.49	No	-	-	40	Yes	Varies	16/18,000	54	46
M	22.22	2.75	7.77	-	1.61	-	34.35	No	Yes	-	50	Yes	Varies	24,250	7	93
N	40.48	-	3.64	1.36	.62	-	46.10	No	Yes	Varies	50	Yes	Varies	18,000	55	45
Average costs - 1985	25.57	3.88	6.35	-	1.60	2.44	30.03									
Average costs - 1984	23.83	3.85	6.24	-	2.54	2.85	33.40									

* Includes glass and lubrication.

INSURANCE-COLLISION AND COMPREHENSIVE (C&C) AND UMBRELLA LIABILITY

	Per Unit Per Month Costs											
	Gross C&C Costs	Less Recoveries	Net C&C Costs	Add Insurance Salaries	Total C&C Costs	Add Umbrella Liability	Total Costs	Self Insured	Charge Back - Deductibles	Amount	PL & PD Insurance Available	Umbrella Liab. Coverage
Less than 1,000 cars												
A	$ -	$ -	$ -	$ -	$ -	$ -	$ -	No	-	$250	Yes	1 Mil. - 3 Mil
B	-	-	-	-	-	-	-	No	-	-	No	1 Mil. - 5 Mil
C	-	-	-	-	-	-	-	No	-	-	Yes	-
D	-	-	-	-	-	-	(3.40)*	No	No	-	Yes	-
E	-	-	-	-	-	-	(1.92)*	No	Yes	250	No	-
F	-	-	-	1.25	-	-	(1.25)	No	Yes	250	No	2 Mil.
G	-	-	-	-	-	-	-	Yes	Yes	350	Yes	-
1,000 - 1,999 cars												
H	-	-	-	-	-	-	10.00*	Yes	Yes	300	Yes	1 Mil. - 5 Mil
I	-	-	-	-	-	-	-	-	-	-	-	-
J	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	No	1 Mil.
Over 2,000 cars												
K	-	-	-	-	-	-	-	-	-	-	-	-
L	-	-	12.52	1.17	13.69	.57	14.26	Yes	-	-	Yes	20 Mil.
M	(14.46)	(2.86)	11.60	4.28	15.88	1.89	17.77	Yes	Yes	250	Yes	10 Mil.
N	-	-	11.42	1.40	12.82	-	12.82	Yes	Yes	250	No	500,000-25 Mil.
Average costs - 1985	-	-	11.85	2.28	14.13	1.23	13.71					
Average costs - 1984	25.60	10.81	14.49	3.57	17.77	1.18	16.57					

* Breakdown not given.

LICENSE TAGS, STATE AND LOCAL TAXES

	Per Unit Per Month Costs			Charge Back Taxes to Lessees	
	Total	License Tags	State and Local Taxes		
Less than 1,000 cars					
A	$ -	$ -	$ -	Yes	All
B	21.20	2.08	19.12	Yes	Portion
C	-	-	-	Yes	All
D	-	-	-	Yes	All
E	2.34*	-	-	Yes	All
F	5.42*	-	-	Yes	All
G	-	-	-	Yes	All
1,000 - 1,999 cars					
H	17.00	3.00	14.00	Yes	Portion
I	-	-	-	Yes	All
J	N/A	N/A	N/A	Yes	All
Over 2,000 cars					
K	4.25*	-	-	Yes	Portion
L	19.19	3.25	15.94	No	-
M	-	-	-	Yes	All
N	2.43*	-	-	Yes	Portion
Average costs - 1985	10.26	2.78	16.35		
Average costs - 1984	8.90	3.23	11.32		

* Breakdown not given.

INTEREST EXPENSE

	Per Unit Per Month Costs	Percentage of Car Cost Financed	Average Monthly Loan Amortization %	Average Simple Interest Rate %	Percentage Over Prime Rate	Compensating Balance Required	% of Loan Balance	Loan Commitment Fee Required
Less than 1,000 cars								
A	$ -	$ -	- %	14.50%	0 %	No	- %	No
B	(97.53)	95.00	1.83	12.71	1.50	No	-	No
C	-	100.00	-	-	1.50 - 2.00	No	-	No
D	(132.00)	90.00	-	-	1.00	No	-	No
E	59.02	(43.00)	2.25	11.00	.25	No	-	No
F	(122.60)	97.00	2.00	11.00	.75	No	-	No
G	-	100.00	Varies	11.50	1.50	No	-	No
1,000 - 1,999 cars								
H	65.00	100.00	2.00	12.70	.50	No	-	No
I	-	100.00	-	-	(.50)	No	-	No
J	(97.47)	101.00	1.74	12.40	1.00	No	-	No
Over 2,000 cars								
K	46.40	100.00	-	10.82	-	No	-	No
L	57.79	100.00	2.10	11.50	0 - 1.00	No	-	No
M	52.60	100.00	.67 - 2.78	9.50 - 18.00	(.75)- 1.00	Varies	-	Varies
N	50.16	100.00	2.00	10.70	0	No	-	No
Averages - 1985	55.16	98.83	2.04	12.19	.83			
Averages - 1984	65.57	99.67	2.04	12.77	.53			

GENERAL AND ADMINISTRATIVE EXPENSES
PER UNIT PER MONTH COSTS

	Total	Principal(s) Salary	Advertising	Travel & Promotion	Telephone & Telegraph	Rent & Occupancy	Office Supplies & Expense	Data Processing	Professional Fees	Administrative Salaries	Sales Salaries	Taxes	Insurance	Other	Other Salaries
Less than 1,000 cars															
A	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
B	(71.15)	2.59	7.79	1.58	1.23	5.29	1.43	.70	.67	10.94	14.69	18.65	1.01	4.58	-
C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D	34.90*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E	40.23	-	8.23	.78	1.25	-	1.14	-	1.15	16.14	4.62	2.54	-	4.38	-
F	15.93	2.98	-	.46	.51	1.65	1.34	-	.35	4.82	1.01	.82	.22	1.77	-
G	50.00*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,000 - 1,999 cars															
H	38.00	-	1.00	-	1.00	6.00	2.00	1.00	1.00	11.00	8.00	3.00	2.00	2.00	-
I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
J	46.01	-	1.73	.35	1.91	4.92	.90	2.91	1.87	14.97	10.53	-	1.08	4.84	-
Over 2,000 cars															
K	30.34	-	1.32	1.67	1.67	3.41	1.40	.67	.46	18.42	-	.48	.49	.35	-
L	42.05	.85	3.40	1.19	2.53	6.21	2.33	1.42	.66	8.57	10.04	.39	1.76	2.70	-
M	19.81	1.01	.30	.93	1.11	.91	.53	1.13	.89	6.67	3.59	.06	.10	.38	2.20
N	17.09	1.23	.13	.76	1.31	1.56	4.16	-	1.54	4.45	1.33	.18	.11	.33	-
Average costs - 1985	33.44														
Average costs - 1984	34.94														

* Breakdown not given.

COMPOSITION OF FLEETS

	Model Sizes												
	Standard %	Inter-mediate %	Compact %	Chev-rolet %	Ford %	Chrysler Corp. %	Pontiac %	Olds-mobile %	Buick %	Cadillac %	Foreign %	Lincoln Mercury %	Other %
A	100	-	-	-	-	-	-	-	-	-	97.0	-	3.00
B	69	10	21	7.00	41.00	-	-	10.00	-	-	12.0	-	30.00
C	40	40	20	-	-	-	-	4.00	3.00	3.00	-	90.00	-
D	30	50	20	1.00	1.00	1.00	-	1.00	5.00	1.00	65.0	-	25.00
E	39	41	20	50.00	2.00	1.00	3.00	14.00	12.00	3.00	12.0	2.00	1.00
F	15	80	5	16.00	15.00	5.00	13.00	14.00	11.00	-	1.0	5.00	20.00
G	34	33	33	50.00	10.00	10.00	-	10.00	10.00	2.00	8.0	-	-
H	20	75	5	27.00	30.00	11.00	-	8.00	8.00	1.00	8.0	6.00	1.00
I	-	-	-	-	-	-	-	-	-	-	-	-	-
J	-	-	-	10.90	3.90	5.90	15.60	15.80	8.80	1.60	22.2	.30	15.00
K	45	39	16	26.00	22.00	11.00	7.00	14.00	10.00	2.00	3.0	4.00	1.00
L	25	55	20	27.30	15.70	6.00	3.50	19.60	9.40	2.30	11.8	2.30	2.10
M	15	58	27	24.40	31.30	10.30	3.80	8.40	6.60	.60	.9	3.30	10.30
N	11	54	35	32.28	7.77	5.75	17.20	20.37	13.80	.48	-	1.87	.48
Averages - 1985	35	45	20	21.00	14.00	4.00	5.00	11.00	8.00	1.00	19.0	9.00	8.00
Averages - 1984	19	57	24	26.00	13.00	6.00	5.00	13.00	18.00	1.00	13.0	3.00	2.00

* Did not break down General Motors vehicles by make.

TYPE OF CUSTOMER

	Percentages of Fleets			
		Fleets of:		
	Individuals	2 to 20	21 to 100	Over 100
A	100.0	-	-	-
B	74.0	24.00	2.00	-
C	90.0	10.00	-	-
D	95.0	4.00	1.00	-
E	60.0	40.00	-	-
F	25.0	50.00	24.00	1.00
G	10.0	80.00	10.00	-
H	20.0	70.00	10.00	-
I	-	-	-	-
J	67.0	25.00	6.00	2.00
K	4.7	24.09	19.03	52.18
L	11.0	37.00	35.00	17.00
M	.7	13.70	40.10	45.50
N	-	1.00	19.00	80.00

USED CAR DISPOSITION

	Reconditioning Prior to Sale		Used Cars Disposed Through							Location Where Cars are Sold	
			New Car Dealers		Used Car		Lessees and Their				
	% of Cars Reconditioned	Average Amount	Sales %	Trade %	Dealers %	Auctions %	Employees %	Retail %	Other %	On the Road %	Home Office %
A	9	$ -	-	-	-	-	-	100.0	-	-	100
B	10	60	-	-	25.0	-	50.0	25.0	-	50	50
C	0	-	-	-	100.0	-	-	-	-	-	100
D	-	-	-	-	10.0	-	10.0	80.0	-	-	100
E	-	-	-	-	90.0	-	-	-	10	1	99
F	80	195	-	6	45.0	8.0	40.0	-	1	98	2
G	85	150	-	-	30.0	-	-	70.0	-	5	95
H	60	250	2.0	-	28.0	45.0	25.0	-	-	30	70
I	-	-	-	-	-	-	-	-	-	-	-
J	0	-	27.1	-	24.9	-	23.3	24.7	-	-	100
K	0	-	-	-	64.0	-	36.0	-	-	36	64
L	16	565	1.0	-	40.0	1.0	1.0	24.0	33	46	54
M	14	185	2.1	-	27.3	31.4	28.1	11.1	-	88	12
N	0	-	-	-	53.0	2.0	45.0	-	-	86	14
Averages - 1985	-	-	2.0	-	41.0	7.0	20.0	26.0	4	33	67
Averages - 1984			9.0	-	46.0	16.0	19.0	10.0	-	31	69

LEASING AND RENTAL ACTIVITIES

	Actual Economic Depreciation Rate	Percentage of Growth in Past Year	Finance Leasing	%	Daily Car Rental	Daily Truck Rental	Long-Term Truck Leasing	Fleet Management	Non-Automotive Equipment Leasing	By Choice	Accommodation	Own or Affiliation With New Car Dealer-Dealership	Extended Warranty Policies	%	Residual Value Insurance	%
A	N/A	100	No	-	No	No	No	No	Yes	X	-	No	No	-	Yes	100
B	-	0	Yes	80	Yes	Yes	Yes	Yes	Yes	-	X	Yes	Yes	7.00	No	-
C	-	42	No	-	Yes	No	Yes	No	No	-	-	Yes	Yes	10.00	No	-
D	-	30	Yes	10	No	No	No	No	Yes	X	-	Yes	Yes	5.00	No	-
E	1.59	(3)	Yes	40	Yes	No	Yes	No	No	-	-	Yes	Yes	5.00	Yes	60
F	-	10	Yes	7	Yes	No	Yes	Yes	Yes	-	X	Yes	Yes	1.00	No	-
G	-	-	No	-	Yes	No	No	No	No	-	-	No	Yes	1.00	No	-
H	1.90	10	Yes	69	Yes	Yes	Yes	Yes	Yes	X	-	Yes	No	-	No	-
I	-	50	Yes	50	Yes	No	No	No	No	-	-	No	Yes	2.00	No	-
J	1.58	0	Yes	45	No	No	No	No	No	-	-	Yes	No	-	No	-
K	1.77	12	Yes	86	Yes	Yes	Yes	Yes	Yes	X	-	No	Yes	< 1.00	Yes	< 1
L	1.70	13	Yes	-	Yes	No	Yes	Yes	No	-	-	Yes	Yes	1.00	No	-
M	1.67	11	Yes	93	No	No	Yes	Yes	Yes	X	-	Yes	Yes	.25	No	-
N	1.70	11	Yes	45	No	No	No	Yes	Yes	-	X	Yes	No	-	No	-

RECORD KEEPING METHODS

Less than 1,000 cars	Non-Mechanical (Done by Hand)	Mechanical (Non-Electronic Machinery)	Electronic System-Computer Service Bureau	Electronic System-Computer Own Installation
A	-	-	-	X
B	-	-	-	X
C	X	-	-	-
D	-	-	-	X
E	-	-	-	X
F	X	-	-	X
G	-	-	-	X
1,000 - 1,999 cars				
H	-	-	-	X
I	-	-	-	-
J	-	-	X	-
Over 2,000 cars				
K	-	-	-	X
L	-	-	-	X
M	-	-	-	X
N	-	-	-	X

A.A.L.A.

STATE TAX EXAMINATIONS

State	Sales Tax Examinations # of Responses	Income Tax Examinations # of Responses
California	4	1
Pennsylvania	3	1
Illinois	2	2
New York	2	1
New Mexico	1	-
Arkansas	1	-
Indiana	2	2
Louisiana	1	-
Texas	1	1
Connecticut	1	-
Maryland	-	1
Alabama	1	-
North Carolina	1	-
Washington	1	-